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SENSITIVE SIPDIS

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SUBJECT: SERBIA: TADIC NAMES CVETKOVIC AS PRIME MINISTER

REF: BELGRADE 625

Summary

11. (SBU) Following several days of heated debate within his own party, Serbian President Boris Tadic named outgoing Minister of Finance Mirko Cvetkovic as his choice for Prime Minister on June 27. Cvetkovic's nomination was supported by Tadic's coalition partners but criticized by the Radicals and other opposition parties. Draft legislation to expand the cabinet to 24 ministries and create a First Deputy Prime Minister position (believed to be for Socialist leader Ivica Dacic) was criticized by parties across the political spectrum. Debate in Parliament over the structure of government is expected to last for several days, followed by a vote on ministerial nominees. End summary.

Cvetkovic Designated Prime Minister

- $\P 2.$ (SBU) President Tadic convened the presidency of his Democratic Party (DS) on Friday, June 27 to announce outgoing Minister of Finance Mirko Cvetkovic as his choice for Prime Minister. The announcement followed several days of heated debate within the DS core presidency over Tadic's reported desire to designate Vuk Jeremic. In comments to the press over the weekend, Tadic emphasized that Cvetkovic, Jeremic, and Bojan Pajtic -- but "above all Cvetkovic" -- were his preferred candidates all along, not the candidates of "some group or part of the DS" as the press had reported.
- (SBU) Our contacts tell us that in contrast to Tadic's public statements, the presidency meeting was very tense. An agitated Tadic was reportedly the only person to speak, chastising the members of the core presidency for 45 minutes for leaking information to the press in pursuit of their own aims. He allegedly said that he would no longer convene the core presidency.

Draft Laws on Government and Ministers Submitted

- $\P4$. (SBU) Immediately after the announcement of Cvetkovic, the government submitted a draft Law on Ministers and a package of draft amendments to the Law on Government to the Parliament. The Law on Ministries specifies that the new government will have 24 ministries; the PM can also appoint ministers without portfolio over and above that number. The draft law calls for the preservation of the Ministry for Kosovo and Metohija; press reports identify Goran Bogdanovic, a moderate Kosovar Serb from Leposavic in Northern Kosovo and a DS member, as the rumored nominee.
- $\underline{\mathbf{1}}$ 5. (U) The draft amendments to the Law on Government include two new points: the creation of a First Deputy Prime Minister position and a "golden vote" for the Prime Minister. The draft law gives the

First Deputy PM equal power and all the competencies of the PM in the latter's absence, with the exception of the right to call for elections or suspend/dismiss government members. It also specifies that the First Deputy is to assist the PM in the running and direction of the government. The media reports that PM-designate Cvetkovic will nominate SPS leader Ivica Dacic for this position. The so-called "golden vote" provision means that in the case of an even number of votes the PM's vote breaks a tie.

Reactions

- 16. (SBU) There was some criticism even from within Tadic's own electoral coalition. G-17 Plus expressed support for Cvetkovic's candidacy but criticized the DS for negotiating poorly and giving the SPS "too much" in the government (including the First Deputy PM position). G-17 Plus announced that it would form its own parliamentary group rather than working through the DS-led "For a European Serbia" group. Istvan Pasztor, head of the Coalition of Vojvodina Hungarians, refused a deputy prime minister position in pursuit of a ministry position and/or local positions in Vojvodina.
- 17. (U) Cedomir Jovanovic's Liberal Democratic Party (LDP) announced over the weekend that they would not vote for the new government due to the increased number of ministries, the "concessions made to the SPS," and the creation of the First Deputy PM position. The LDP has continued to provide Tadic's coalition with the quorum necessary to convene parliament, however.
- 18. (U) Criticism from the opposition was stronger. Acting head of the Serbian Radical Party (SRS) Tomislav Nikolic criticized the choice of Cvetkovic for PM, alleging that as director of the

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Privatization Agency Cvetkovic had "destroyed Serbia" by taking part in illegal privatizations. SRS MP Vjerica Radeta said that the party saw the new First Deputy PM position as unconstitutional. New Serbia (NS) representative Miroslav Markicevic criticized the growth in size of the cabinet, which he said would make the Serbian government one of the largest in the world. Democratic Party of Serbia (DSS) vice president Borko Ilic questioned Cvetkovic's authority, describing him as the only PM in Europe who is "forming an already-formed government."

Next Steps

19. (U) Parliament began on June 30 to debate the draft Law on Ministers and the proposed amendments to the Law on Government in principle. This will be followed by a 24-hour period for amendments, then a detailed debate of all points. Once the laws are approved, Cvetkovic will submit to Parliament a list of nominees for the ministerial positions. Although President Tadic told the press over the weekend that the government would be formed by the middle of this week, our contacts in Parliament predict that the debate will last all week with the vote on ministers the week of July 7.

Comment

¶10. (SBU) The acrimony within DS over the choice of a Prime Minister, combined with the resentment within Tadic's coalition over the numerous concessions to Dacic's Socialist Party, have put an end to the new government's honeymoon before it even started. With Tadic and Jeremic out of the country until July 3 for an African Union summit in Egypt followed by the Socialist International Congress in Athens, it is unclear how the negotiations over ministerial portfolios will wrap up. End comment.

MUNTER